

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

AN INVESTIGATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC.'S NEED)
FOR THE GILBERT UNIT AND THE)
KENTUCKY PIONEER ENERGY, LLC)
PURCHASE POWER AGREEMENT)

CASE NO. 2003-00030

THE APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR)
APPROVAL TO PURCHASE POWER)
AGREEMENT)

CASE NO. 2000-00079

**MOTION OF CHARLES T. WALTERS
FOR FULL INTERVENTION**

Comes Charles T. Walters, (hereinafter "Walters") by counsel, and moves to intervene in this above-captioned proceeding as a full party. Pursuant to 807 KAR 5:001 Section 3(8), Walters respectfully requests that he be accorded the rights and privileges of a full intervenor in these proceedings, and in support thereof, states as follows:

1. Charles Walters is a landowner and resident of Clark County, Kentucky, whose address is P.O. Box 553, 286 Log Lick Road, Winchester, Kentucky 40392. He is a customer and ratepayer of the Clark County Rural Electric Cooperative, which is a member cooperative of the East Kentucky Power Cooperative.

2. Walters lives, works and recreates in Clark County, and has property, economic, and aesthetic interests in the protection of the quality of life in his community.

3. As a ratepayer with both residential and commercial service at his home and business, Walters is a person whose interests in reliable, low-cost electric power may be adversely affected if the East Kentucky Power Cooperative is allowed to continue the existing agreement with Kentucky Pioneer Energy, LLC in effect, for a number of

reasons. Since the Gilbert plant is currently under construction and will meet the base load capacity needs of East Kentucky Power Cooperative's ratepayers, there is no need for the power under the KPE contract. To the extent that the continuation of the power purchase agreement is approved, that agreement may result in higher electricity costs to Walters. EKPC has indicated that the surplus power could be sold at a profit, and Walters is concerned that if EKPC enters into the power speculation business with the unneeded KPE energy, that venture could turn sour as has been the case with Enron and with other regulated utilities that have entered into the power marketing business.

Alternatively, to the extent that the gasification project does not perform as projected and the waste-based fuel is replaced with coal or natural gas, the project viability may be jeopardized, resulting in additional costs as EKPC is required to venture into the market to purchase replacement power. Walters would be adversely affected to the extent that coop member-ratepayers might end up paying additional costs to bail out EKPC since there are no shareholders to cover the costs of mistakes as with an Investor-Owned Utility.

4. Walters has an interest in assuring that the existing contract is terminated and that if continuation of an agreement with KPE is approved as being necessary and prudent, any future contract to purchase power include appropriate penalty provisions to assure that if there is a default in supply, any additional costs to replace the power are not passed through to the cooperative members.

5. Walters is Petitioner in the case of Walters v. Natural Resources and Environmental Protection Cabinet and Kentucky Pioneer Energy, LLC, CA No. 03-CI-561, which is an appeal pending before the Franklin Circuit Court of a decision by the

Cabinet Secretary that the proposed garbage-based fuel for the power plant was exempt from state waste permitting and local solid waste plan consistency requirements. The Secretary's decision reversed a Hearing Officer Report and Recommendation on behalf of Petitioner. A decision in this Commission proceeding affirming the agreement between EKPC and KPE will, as a practical matter, facilitate financing and construction of the plant and thus may adversely affect or impede the ability of Walters to vindicate his position that the facility should be subject to local solid waste review prior to importation of waste for use as a fuel.

6. The pendency of the Walters v. Natural Resources and Environmental Protection Cabinet and Kentucky Pioneer Energy, LLC, and additionally the rejection of the siting application for the facility for non-compliance with local zoning requirements, suggest strongly that the Commission should not approve continuation of the purchase agreement unless and until the project is demonstrated to be viable after full compliance with or resolution of local solid waste planning consistency and zoning approval requirements.

7. The specific interests of Walters, as a residential and commercial ratepayer and member of the cooperative system, may not be adequately represented by the other parties to this proceeding.

8. If full intervention is approved, Walters does not intend to file additional data requests of any party, and will submit his direct testimony within five (5) days of the date of receipt of notice of approval of intervention status, and will respond to requests for information in accordance with the schedule outlined in the Procedural Order for these consolidated cases. Additionally, Walters and counsel for Intervenor Walters will

execute any "Confidentiality Agreement" and abide by confidentiality restrictions required by the Commission's Orders.

WHEREFORE, Movant Charles T. Walters requests that he be accorded the status of full Intervenor, on the terms and conditions outlined in numerical paragraph 8. above, and that each party to the cases be directed to serve upon Walters all pleadings and information request responses that each has filed in this case to date.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tom FitzGerald', written over a horizontal line.

Tom FitzGerald
P.O. Box 1070
Frankfort, Kentucky 40602
(502) 875-2428

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon the following individuals who have been identified by the Commission Order on these consolidated cases, by first-class mail, postage prepaid, and that an original and ten (10) copies of this motion were filed with the Public Service Commission, this 11th day of August, 2003.

Honorable Elizabeth E. Blackford
Assistant Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204
betsy.blackford@law.state.ky.us

Honorable Richard F. Newell
Ogden, Newell & Welch, PLLC
1700 Citizens Plaza
500 West Jefferson Street
Louisville, KY 40202

Honorable Kendrick Riggs
Ogden, Newell & Welch, PLLC
1700 Citizens Plaza
500 West Jefferson Street
Louisville, KY 40202

Honorable Maureen R. Carr
Ogden, Newell & Welch, PLLC
1700 Citizens Plaza
500 West Jefferson Street
Louisville, KY 40202

Honorable Allyson K. Sturgeon
Ogden, Newell & Welch, PLLC
1700 Citizens Plaza
500 West Jefferson Street
Louisville, KY 40202

Honorable Dale Henley
Attorney at Law
East Kentucky Power Cooperative
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

Honorable Charles A. Lile
Senior Corporate Counsel
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707
charliel@ekpc.com

Dwight N. Lockwood
P.E., QEP
Kentucky Pioneer Energy, LLC
250 East 5th Street, Suite 1500
Cincinnati, OH 45202
dnlockwood@globalenergyinc.com

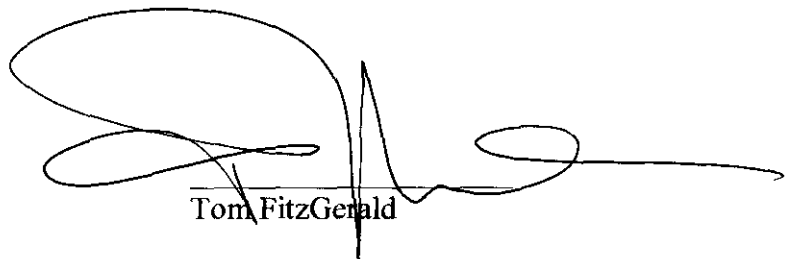
Roy M. Palk
President/ceo
East Kentucky Power Cooperative, Inc.
4775 Lexington Road

P. O. Box 707
Winchester, KY 40392-0707

Honorable John P. Proctor
Winston & Strawn
1400 L Street, N.W.
Washington, DC 20005

Hon. A.B. Chandler III
Attorney General
State Capitol
Frankfort, Kentucky 40601

Hon. Michael Kurtz
Attorney at Law
Boehm, Kurtz and Lowry
36 East Seventh Street
Suite 2110
Cincinnati OH 45202



Tom Fitzgerald